for the past five years, after companies have finalized their accounts distributed dividends and paid taxes as applicable; and

(c) whether Government have undertaken any study about the actual profitability of fertilizer companies and whether there would be adverse impact on production of fertilizers and continued reasonable level of self-sufficiency; if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR): (a) to (c) Government have finalized the policy parameters for 7th and 8th pricing periods under Retention Price Scheme for urea units, which have also been notified to urea companies on 4.6.2002. Government does not expect any adverse impact on the viability of urea units and any decline in the indigenous production of urea on account of implementation of these policy parameters. Government continues to provide 12% post tax return on networth to urea units in the policy parameters for 7th and 8th pricing period.

Fertilizer production under Rourkela Steel Plant

†2388. SHRI RAM JETHMALANI:
SHRI RAJIV RANJAN SINGH 'LALAN':

Will the Minister of CHEMICALS AND FETILIZERS be pleased to state:

(a) whether it is a fact that a project for production of chemical fertilizers was being run under Rourkela Steel Plant;

(b) if so, when the project was undertaken and the total capital investment made therein; and

(c) the amount of financial losses suffered by this project, till March 2002?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR): (a) Yes, Sir.

(b) Rourkela Fertilizer Plant commenced operations in the year 1962 along with the other units of the Rourkela Steel Plant. As on 31.3.2002, the Rourkela Fertilizer Plant had a gross block of Rs. 82.84 crore and a net block of Rs.22.31 crore.

†Original notice of the question was received in Hindi.

(c) The accumulated losses of the Rourkela Fertilizer Plant as on 31.3.2002 amounted to Rs. 317.26 crore.

Distortions in fertilizer sector

2389. SHRI PREM CHAND GUPTA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that Government have moved one step closer to removing distortions in the fertilizer sector, with the Group of Ministers finalizing the broad parameters of a new fertilizer policy;

(b) whether Rs.6,500 crore fertilizer subsidy is a matter of concern and an urgent need for reforms in this sector is imperative; and

(c) if so, what are Government plans in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR): (a) to (c) The Government had constituted a Group of Ministers (GOM) to examine, *inter-alia*, the Expenditure Reforms Commission's Report on rationalizing fertilizer subsidies and give its recommendations. Based on GOM's recommendations, the Government is in process of formulating a new pricing policy for urea units keeping in view the recommendations of Expenditure Reforms Commission for replacing the existing Retention Price Scheme. The proposed new pricing policy for urea units will aim at greater transparency, efficiency and uniformity in subsidy disbursement to urea units and will also induce them to take cost reduction meansure on their own to the competitive.

Bid for NFL by IFFCO and KRIBHCO

2390. SHRI HARENDRA SINGH MALIK: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Minister of Chemicals and Fertilizers has urged the P.M. to allow Co-operative Sector Companies, namely IFFCO and KRIBHCO, to bid for National Fertilizer Limited;

(b) if so, the details in this regard; and

(c) the reaction of Government on his recommendation, so far?